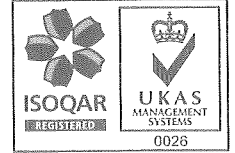


MEGHMANI ORGANICS LIMITED



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar,
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E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



29/01/2020

To

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) <u>Mumbai 400 051</u>	BSE Limited Floor- 25, P J Tower, Dalal Street, <u>Mumbai 400 001</u>
SYMBOL:- MEGH	Scrip Code 532865

Dear Sir/s

Sub:- Press Release- to undertake restructuring to unlock shareholders value.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith press release issued by the Company, on the cited subject, content of which is self-explanatory.

This is for the information of the exchanges and the members.

Thanking you.

Yours faithfully,
For Meghmani Organics Limited

K D Mehta
Company Secretary & Compliance Officer

Encl: - As above

C C to: - Singapore Stock Exchange: - For information of Members

29.01.2020

Press Release

Meghmani Organics Limited ('MOL') to undertake restructuring to unlock shareholders value

Meghmani Organics Limited (MOL), one of the leading manufacturers of Crop protection Chemicals and Pigment announced its decision to restructure its business by:-

- Demerger of its Agrochemical and Pigment business to a separate entity Viz., Meghmani Organochem Limited (MOL2) into a wholly owned subsidiary of MOL, which will be listed through mirror shareholding structure and
- Amalgamation of remaining business of Meghmani Organics Limited with Meghmani Finechem Limited (MFL) having Chloro-alkali and its derivatives business and to seek its separate listing on NSE and BSE to unlock the value for the shareholders.

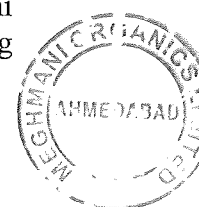
The key highlights of the proposed restructuring to unlock the value for the shareholders:-

- (1) Subsequent to Demerger of Agrochemical and Pigment business into a wholly owned subsidiary Meghmani Organochem Limited (MOL 2) the name will be changed to Meghmani Organics Limited, which will be listed on the NSE and BSE.
- (2) On Demerger, shareholders of Meghmani Organics Limited will be issued 1 equity share of Rs. 1/- each fully paid up of Meghmani Organochem Limited;
- (3) On Amalgamation of remaining business the Shareholders of Meghmani Organics Limited will be issued 94 (Ninety Four) fully paid up equity shares of Rs. 10/- each of Meghmani Finechem Limited against 1000 (One Thousand) equity shares of Re. 1/- each of Meghmani Organics Limited ;
- (4) The above restructuring is to unlock the potential of the Chloro Alkali and its derivatives of Meghmani Finechem Limited which has grown at a CAGR of 22 % in last four years,
- (5) On completion of the process, the resultant structure would have two independently listed companies viz
 1. Meghmani Organochem Limited (name to be changed to Meghmani Organics Limited) having Pigment and Agrochemicals business and
 2. Meghmani Finechem Limited, having Chloro-alkali and its derivatives business will be listed on BSE and NSE.
- (6) Further, as a part of the restructuring exercise, the Singapore Depository Shares ('SDS') listed on the Singapore Stock Exchange ('SGX-ST') shall be delisted in order to cut down administrative overheads and compliance costs associated with being listed on the SGX-ST.

The advantages of restructuring are:-

- This will also allow resultant Meghmani Organics Limited (erstwhile Meghmani Organochem Limited) to focus on Agrochemical and Pigment business which is having rising demand and increased consumption.

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- Independent listing of Meghmani Finechem Limited having the Chloro-alkali and its derivatives business, would allow shareholders to benefit from the valuation unlocked due to the restructuring.
- To have economies in business operations, providing optimal utilization of resources, focused growth strategy and greater administrative independence.
- This will also provide better flexibility to investors to select investments which best suit their investment strategies and risk profile for each of the businesses i.e. Agrochemical and Pigment business and Chloro Alkali and its derivative business.
- The restructuring would not only enable Meghmani group to grow at an accelerated pace but also drive better return on investments for the shareholders”.
- Delisting from the SGX-ST to cut down compliance costs.

About Meghmani:

Meghmani Organics Limited (MOL): is a well-diversified chemical company manufacturing pigments and agro-chemical products. MOL has pan India presence through stockiest, distributors and international market (presence over 75 countries) through extensive network of 70 overseas distributors. Meghmani is listed on NSE, BSE and Singapore Exchange. MOL under Agrochemical segment is one of the largest producers of pesticides in India and under the Pigment segment is amongst top 3 global phthalocyanine based Pigment player. The Company has planned Capex of Rs. 300 Crore in next two/three years for capacity and product expansion of Agrochemical and Pigment business respectively.

Meghmani Finechem Limited (MFL) is India's one of the leading and largest essential Chemical Company and a major contributor in Chlor-Alkali Segment. MFL has set up a Chloro Alkali and its derivatives manufacturing facility at Plot No. CH/1, CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Bharuch, Gujarat. MFL is a material subsidiary of MOL. MFL is continuously striving for diversification in value added products based on Caustic Soda, Caustic Potash (KOH), Chlorine, Hydrogen and its derivatives, Methylene Chloride (MDC), Chloroform and Hydrogen Peroxide (H₂O₂). The Company has planned expansion of another derivative Epichlorohydrin (ECH) which is 1st of its kind manufacturing in India based on 100% renewable source at Capex of Rs. 275 Crore in next two years.

Meghmani Organochem Limited: is a Wholly Owned subsidiary of Meghmani Organics Limited

For more details: <http://www.meghmani.com/>

Phone: +91-79-71761000

Mr. Ankit Patel - CEO:	Mr. G S Chahal – CFO Mr. Bharat Mody – Advisor – IR
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9/11/2011

